

TASCO Berhad
(Company No: 197401003124 [20218-T])



Condensed Consolidated Financial Statements
For The Quarter And Year-To-Date Ended
30-June-2020

Condensed Consolidated Statement of Comprehensive Income
For The Quarter And Year-To-Date Ended 30-June-2020

| | Quarter and Year-to-Date Ended | |
|--|-----------------------------------|---------------------|
| | 30.06.2020 | 30.06.2019 |
| | RM'000 Unaudited | RM'000 Unaudited |
| Revenue | 178,565 | 180,402 |
| Cost of sales | (153,932) | (155,012) |
| Gross profit | 24,633 | 25,390 |
| Other operating income | 3,324 | 1,966 |
| General and administrative expenses | (18,633) | (20,475) |
| Profit from operations | 9,324 | 6,881 |
| Finance costs | (4,082) | (4,851) |
| Share of profits of associated companies | (13) | (109) |
| Profit before taxation | 5,229 | 1,921 |
| Tax expense | (1,823) | (531) |
| Profit for the period | 3,406 | 1,390 |
| Profit Attributable to: | | |
| Owners of the Company | 2,636 | 1,282 |
| Non-Controlling Interest | 770 | 108 |
| | 3,406 | 1,390 |
| Earnings per share (sen) - basic | 1.32 | 0.64 |

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.



**Condensed Consolidated Statement of Comprehensive Income
 For The Quarter And Year-To-Date Ended 30-June-2020**

Profit for the period

Other Comprehensive Income:

Exchange differences on translation foreign operation

Fair Value adjustment on cash flow hedge

Other comprehensive income/(Loss) for the period, net of tax

Total Comprehensive Income

Total Comprehensive Income attributable to:

Owners of the Company

Non-Controlling Interest

| Cumulative Ended | |
|---------------------|---------------------|
| 30.06.2020 | 30.06.2019 |
| RM'000 Unaudited | RM'000 Unaudited |
| 3,406 | 1,390 |
| 644 | (148) |
| - | 7 |
| 644 | (141) |
| 4,050 | 1,249 |
| 3,280 | 1,141 |
| 770 | 108 |
| 4,050 | 1,249 |

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position as at 30-June-2020

| | As at 30.06.2020 RM'000 Unaudited | As at 31.03.2020 RM'000 Audited |
|---|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 496,992 | 503,247 |
| Right-of-use assets | 10,603 | 13,076 |
| Goodwill | 81,864 | 81,864 |
| Investment in associated company | 2,985 | 3,048 |
| Investment in a joint venture | 3,339 | 3,289 |
| Other assets | 1,008 | 1,008 |
| Total non-current assets | 596,791 | 605,532 |
| Current assets | | |
| Trade receivables | 131,088 | 114,515 |
| Other receivables, deposits and prepayments | 45,031 | 18,657 |
| Amount owing by immediate holding company | 6,038 | 4,102 |
| Amounts owing by related companies | 10,566 | 6,588 |
| Amounts owing by associated company | 55 | 55 |
| Amount owing by a joint venture company | 182 | 834 |
| Current tax asset | 2,443 | 2,015 |
| Short term investments | 5,365 | 5,330 |
| Fixed deposits with licensed banks | 33,278 | 78,628 |
| Cash and bank balances | 67,928 | 113,153 |
| Total current assets | 301,974 | 343,877 |
| TOTAL ASSETS | 898,765 | 949,409 |

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position as at 30-June-2020

| | As at 30.06.2020 RM'000 Unaudited | As at 31.03.2020 RM'000 Audited |
|--|--|--|
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 100,801 | 100,801 |
| Revaluation reserve | 1,400 | 1,400 |
| Exchange translation reserve | - | (644) |
| Fair value reserve | (64) | (64) |
| Retained profits | 332,826 | 334,189 |
| Equity attributable to owners of the Company | 434,963 | 435,682 |
| Non-controlling interest | 65,347 | 64,577 |
| Total equity | 500,310 | 500,259 |
| Non-current liabilities | | |
| Amounts owing to corporate shareholder of subsidiary company | 4,759 | 4,945 |
| Hire purchase payables | - | 10 |
| Lease liabilities | 3,148 | 4,274 |
| Bank term loans | 245,235 | 245,170 |
| Deferred tax liabilities | 23,551 | 23,954 |
| Total non-current liabilities | 276,693 | 278,353 |
| Current liabilities | | |
| Trade payables | 40,218 | 46,760 |
| Other payables, deposits and accruals | 34,708 | 28,850 |
| Amount owing to immediate holding company | 2,502 | 1,589 |
| Amounts owing to related companies | 9,033 | 5,340 |
| Hire purchase payables | 149 | 218 |
| Lease liabilities | 7,699 | 9,047 |
| Dividend payable | 4,000 | - |
| Bank term loans | 23,081 | 78,181 |
| Amounts owing to corporate shareholder of subsidiary company | 372 | 487 |
| Current tax liabilities | - | 325 |
| Total current liabilities | 121,762 | 170,797 |
| Total liabilities | 398,455 | 449,150 |
| TOTAL EQUITY AND LIABILITIES | 898,765 | 949,409 |
| Net Assets per share (RM) | 2.17 | 2.18 |

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Changes in Equity For Year-To-Date Ended 30-June-2020

| | ----- Attributable to Owners of the Company ----- | | | | | | | | |
|---|---|----------------------------------|----------------------------|--|---------------------------------|--------------------------------|-----------------|---|------------------------|
| | ----- Non-distributable ----- | | | | | -- Distributable -- | | | Total equity RM'000 |
| | Share capital RM'000 | Revaluation reserve RM'000 | Hedge reserve RM'000 | Exchange translation reserve RM'000 | Fair value reserve RM'000 | Retained earnings RM'000 | Total RM'000 | Non- controlling interest RM'000 | |
| Balance at 1 April 2019 | 100,801 | 1,400 | (11) | (42) | (64) | 269,173 | 371,257 | 1,637 | 372,894 |
| Total comprehensive income for the period | - | - | 7 | (148) | - | 1,282 | 1,141 | 108 | 1,249 |
| Accretion from issuance of shares by a subsidiary to non-controlling interest | - | - | - | - | - | 61,125 | 61,125 | 63,875 | 125,000 |
| Dividend paid | - | - | - | - | - | (5,000) | (5,000) | - | (5,000) |
| Balance at 30 Jun 2019 | 100,801 | 1,400 | (4) | (190) | (64) | 326,579 | 428,522 | 65,620 | 494,142 |
| Balance at 1 April 2020 | 100,801 | 1,400 | - | (644) | (64) | 334,189 | 435,682 | 64,577 | 500,259 |
| Total comprehensive income for the period | - | - | - | 644 | - | 2,636 | 3,280 | 770 | 4,050 |
| Dividend declared on 18 June 2020 | - | - | - | - | - | (4,000) | (4,000) | - | (4,000) |
| Balance at 30 Jun 2020 | 100,801 | 1,400 | - | - | (64) | 332,826 | 434,963 | 65,347 | 500,310 |

The condensed consolidated statement of change in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Cash Flows For The Year-To-Date Ended 30-June-2020

| | Year-To-Date Ended | |
|---|-----------------------------------|-----------------------------------|
| | 30.06.2020 RM'000 Unaudited | 30.06.2019 RM'000 Unaudited |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 5,229 | 1,921 |
| Adjustments for: | | |
| Allowance for doubtful debts | - | 283 |
| Depreciation of property, plant and equipment | 7,173 | 8,093 |
| Depreciation of right-of-use assets | 2,473 | 1,891 |
| Gain on disposal of property, plant and equipment | - | (108) |
| Fair value gain on short term investments | (36) | - |
| Property, plant and equipment written off | - | 5 |
| Share of profits of associated company, and joint venture net of tax | 13 | 109 |
| Loss of derecognition of subsidiary | 825 | - |
| Interest income | (593) | (629) |
| Interest expense | 4,082 | 4,851 |
| Unrealised (gain) / loss on foreign exchange | (69) | 376 |
| Operating profit before working capital changes | 19,097 | 16,792 |
| Changes in receivables | (48,208) | (20,277) |
| Changes in payables | 3,857 | 1,446 |
| Cash generated used in operations | (25,254) | (2,039) |
| Net Tax paid | (2,981) | (2,062) |
| Net Cash used in operating activities | (28,235) | (4,101) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (918) | (889) |
| Proceeds from disposal of property, plant and equipment | - | 108 |
| Proceeds from disposal of subsidiary company shareholding | - | 125,000 |
| Net cash outflow of derecognition of subsidiary | (45) | - |
| Interest received | 593 | 629 |
| Net cash (used in) / generated from investing activities | (370) | 124,848 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of term loan | (55,035) | (9,922) |
| Repayment of hire purchase and finance lease | (79) | (405) |
| Interest paid | (4,082) | (4,851) |
| Repayment of lease liabilities | (2,473) | - |
| Repayment of amounts owing to corporate shareholder of a subsidiary company | (301) | - |
| Dividend paid | - | (5,000) |
| Net cash used in financing activities | (61,970) | (20,178) |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | (90,575) | 100,569 |
| CASH AND CASH EQUIVALENTS BROUGHT FORWARD | 191,781 | 77,179 |
| EFFECT OF EXCHANGE RATE CHANGES | - | 3 |
| CASH AND CASH EQUIVALENTS CARRIED FORWARD | 101,206 | 177,751 |
| Represented by: | | |
| Fixed deposits with a licensed bank | 33,278 | 63,880 |
| Cash and bank balances | 67,928 | 113,871 |
| | 101,206 | 177,751 |

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes attach to the interim financial statements.

Notes to the Interim Financial Report**Explanatory Notes In Compliance With Malaysian Financial Reporting Standards 134 ("MFRS 134") Interim Financial Reporting****A1. Basis of Preparation**

The interim financial statements have been prepared under the historical cost convention, recoverable value, realisable value and fair value.

These interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards 134 ("MFRS 134"), Interim Financial Reporting, International Financial Reporting Standard 134 ("IFRS 134"), Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the Company's audited financial statements for the financial year ended 31 March 2020. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2020.

A2. Adoption of Standards, Amendments and Annual Improvements to Standards**(a) Application of new or revised standards**

In the current period, the Group and the Company applied a number of new or revised standards, amendments and interpretations that become effective mandatorily for the financial periods beginning on or after 1 April 2020.

The adoption of these new and revised standards, amendments and/or interpretations does not have significant impact on the financial statements of the Group and of the Company.

(b) Standards issued that are not yet effective

The Group and the Company have not applied the following standards, amendments and IC Interpretation that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective:

| MFRSs, Amendments to MFRSs and IC Interpretations | | Effective Date |
|--|---|-----------------------------|
| Amendment to MFRS 16 | Covid-19 - Related Rent Concessions | 1 June 2020 |
| Amendments to MFRS1, MFRS 9, MFRS 16 and MFRS 141 | Annual Improvements to MFRS Standards 2018–2020 | 1 January 2022 |
| Amendments to MFRS 3 | Reference to the Conceptual Framework | 1 January 2022 |
| Amendments to MFRS 116 | Property, Plant and Equipment– Proceeds before Intended Use | 1 January 2022 |
| Amendments to MFRS 137 | Onerous Contracts–Cost of Fulfilling a Contract | 1 January 2022 |
| MFRS 17 | Insurance Contracts | 1 January 2023 |
| Amendments to MFRS 17 | Insurance Contracts | 1 January 2023 |
| Amendments to MFRS 101 | Classification of Liabilities as Current or Non-current | 1 January 2023 |
| Amendments to MFRS 10 and MFRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | To be announced by the MASB |

The adoption of the above new standards, amendments and interpretations are not expected to have significant impact on the financial position and financial performance of the Group and of the Company.

A3. Audit Report

The Audit Report of the Group's annual financial statements for the financial year ended 31 March 2020 was not subjected to any qualification.

A4. Seasonal or Cyclical Factors

The Group's operations are generally affected by festive seasons.

A5. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows in the current quarter under review.

A6. Changes In Estimates

There were no changes in estimates that have had a material effect in the current quarter under review.

Explanatory Notes In Compliance With Malaysian Financial Reporting Standards 134 ("MFRS 134") Interim Financial Reporting

A7. Issuances, Cancellation, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuances, cancellation, repurchases, resale and repayments of debt and equity securities in the current quarter under review.

A8. Dividends paid

On 18 June 2020, the Board of Director of the Company declared a single-tier dividend of 2.0 sen per ordinary share amounting to RM4,000,000 in respect of financial year ended 31 March 2020. The dividend was paid on 27 July 2020.

A9. Segmental Reporting

| | Segmental Revenue | | Segmental Result (PBT) | |
|---|----------------------|----------------------|------------------------|----------------------|
| | 3 months ended | | 3 months ended | |
| | 30.06.2020 RM'000 | 30.06.2019 RM'000 | 30.06.2020 RM'000 | 30.06.2019 RM'000 |
| International Business Solutions | | | | |
| Air Freight Forwarding Division | 54,724 | 36,044 | 3,394 | 1,162 |
| Ocean Freight Forwarding Division | 21,636 | 24,825 | (470) | 555 |
| | 76,360 | 60,869 | 2,924 | 1,717 |
| Domestic Business Solutions | | | | |
| Contract Logistics Division | 60,212 | 72,303 | 2,674 | 5,374 |
| Cold Supply Chain Division | 31,377 | 28,680 | 2,886 | 1,315 |
| Trucking Division | 10,616 | 18,550 | (1,598) | (1,556) |
| | 102,205 | 119,533 | 3,962 | 5,133 |
| Others | - | - | (1,657) | (4,929) |
| Total | 178,565 | 180,402 | 5,229 | 1,921 |

A10. Valuation of Property, Plant and Equipment

The Group did not carry out any valuation on its property, plant and equipment.

A11. Subsequent Events

Except for below event, there was no material event subsequent to the end of the current quarter:

Reference is made to the Corporate Proposal under B6 of the Notes to this report. Gold Cold Solutions Sdn Bhd and Titian Pelangi Sdn Bhd ("Purchasers"), both being the subsidiaries of the Company, had on 19 June 2020 entered into a Supplemental Agreement to the SPA with the Vendors to vary the terms on acquisition of 7 parcel of properties, Conditions Precedent and CP Period.

The Purchasers paid the Balance Purchase Price in respect of Properties A amounting to Ringgit Malaysia Twenty Million Six Hundred Seventy Two Thousand Nine Hundred and Forty (RM20,672,940.00) directly to the Chargees towards payment of the Redemption Sum (and such payment to the Chargees shall be deemed as payment to the Vendors), and had on 8 July 2020 received the notification of successful registration of the Transfer in favour of the relevant Purchasers and collection of the relevant duly transferred titles marking the completion of the acquisition of Properties A.

On 21 August 2020, the Purchasers paid the Balance Purchase Price in respect of Properties B amounting to Ringgit Malaysia One Million Seven Hundred Ninety Six Thousand Five Hundred Fifty (RM1,796,550) to the Vendors.

A12. Changes in Composition of the Group

Except for the below, there were no changes in the composition of the Group in the current quarter under review:

On 27 June 2020, the Board of directors of the Company resolved to wind up a non-operating wholly-owned subsidiary, Trans-Asia Shipping Pte Ltd (Company Registration No: 200101000W) ("Non-operating subsidiary") by way of member's voluntary winding-up pursuant to Section 290 (1)(b) of the Company Act, Cap 50 in Singapore. The winding-up of the Non-operating subsidiary did not have any material financial or operational effect on the Group and it was derecognized from the Group since 27 June 2020.

Explanatory Notes In Compliance With Malaysian Financial Reporting Standards 134 ("MFRS 134") Interim Financial Reporting**A13. Contingent Assets and Liabilities**

Except for below items, there were no material contingent assets and liabilities since 30 June 2020 to the date of this report:

| | As at 30.06.2020 RM'000 | As at 30.06.2019 RM'000 |
|--|-------------------------------|-------------------------------|
| Corporate guarantees in favour of suppliers of its joint venture company, YLTC Sdn Bhd for supplying such goods and services on credit | 5,400 | 4,900 |
| Corporate guarantee in favour of a licensed bank of its joint venture company, YLTC Sdn Bhd for trade facilities | 6,800 | 6,800 |
| Corporate guarantee in favour of licensed banks of its subsidiary company, Gold Cold Transport Sdn Bhd for repayment of term loan to finance the land and building | 37,266 | 40,567 |
| | 49,466 | 52,267 |

A14. Capital Commitment

| | As at 30.06.2020 RM'000 | As at 30.06.2019 RM'000 |
|--|-------------------------------|-------------------------------|
| Authorised and contracted for | | |
| - acquisition of property, plant and equipment | - | 4,270 |
| - acquisition of leasehold land | 25,370 | 25,370 |
| | 25,370 | 29,640 |

A15. Related Party Disclosures

| | 3 month ended | |
|---|----------------------|----------------------|
| | 30.06.2020 RM'000 | 30.06.2019 RM'000 |
| Transaction with subsidiary companies | | |
| Rental of trucks paid and payable to subsidiary company | 77 | 105 |
| Labour charges paid and payable to subsidiary companies | 8,173 | 10,547 |
| Labour charges received and receivable from a subsidiary companies | 117 | - |
| Handling fees paid and payable to a subsidiary company | 183 | 1,807 |
| Handling fees received and receivable from a subsidiary company | 337 | 3,667 |
| Related logistic services paid and payable to a subsidiary company | 130 | 53 |
| Related logistic services received and receivable from a subsidiary company | 522 | 896 |
| Rental of premises paid and payable to a subsidiary company | 965 | 944 |
| Rental of trucks received and receivable from subsidiary company | 477 | 477 |
| Interest received and receivable from subsidiary companies | 176 | - |
| Transaction with immediate holding company | | |
| Related logistic services received and receivable | 20,607 | 9,736 |
| Related logistic services paid and payable | 8,248 | 6,819 |
| Management services fee paid and payable | 4,424 | 2,701 |
| IT fees paid and payable | 798 | 475 |
| Transaction with related companies | | |
| Related logistic services received and receivable | 31,444 | 17,032 |
| Related logistic services paid and payable | 32,746 | 14,938 |
| Transaction with associated company | | |
| Accounting fee received from an associated company | 5 | 5 |
| Transaction with joint venture company | | |
| Related logistic services received and receivable | 761 | 838 |
| Transaction with corporate shareholder of subsidiary company | | |
| Repayment to corporate shareholder of subsidiary company | 186 | - |
| Interest paid and payable | 71 | - |

Disclosure Requirements Pursuant to Part A, Appendix 9B of Bursa Malaysia Securities Berhad Listing Requirements

B1. Performance Review : Year-to-date April 2020-June 2020 vs Year-to-date April 2019-June 2019

| | 3 months ended | | | |
|--|----------------|------------|---------|---------|
| | 30.06.2020 | 30.06.2019 | Changes | |
| | RM'000 | RM'000 | RM'000 | % |
| Revenue | 178,565 | 180,402 | (1,837) | -1.02% |
| Profit from operations | 9,324 | 6,881 | 2,443 | 35.50% |
| Profit before Interest and tax | 9,311 | 6,772 | 2,539 | 37.49% |
| Profit before taxation | 5,229 | 1,921 | 3,308 | 172.20% |
| Profit after taxation | 3,406 | 1,390 | 2,016 | 145.04% |
| Profit Attributable to Ordinary Equity Holders of the Parent | 2,636 | 1,282 | 1,354 | 105.62% |

The Group achieved revenue of RM178.6 million for the financial period ended ("FPE") 30 June 2020 as against RM180.4 million, a decrease of RM1.8 million (1.0 per cent) year-on-year ("y-o-y"). Revenue from International Business Solutions ("IBS") segment remained robust by recording a 25.4 per cent (RM15.5 million) increase from RM60.9 million to RM76.4 million y-o-y. However, revenue from Domestic Business Solutions ("DBS") recorded a decrease of RM17.3 million (14.5 per cent) from RM119.5 million to RM102.2 million, mainly due to the impact of Movement Control Order ("MCO") which was announced by the Malaysian government on 18 March 2020. The impact of the MCO to DBS was felt mainly in the month of April 2020.

Within IBS segment, a newly secured tender of a electronic customer, soaring market airfreight rates due to reduced airfreight supply capacity coupled with shippers rushing to ship out urgent and backlog shipments by switching from sea mode to air mode, since the country moved into the less restrictive phases of Conditional MCO and Recovery MCO, drove revenue of Air Freight Forwarding ("AFF") division to surge from RM36.0 million to RM54.7 million y-o-y, an increase of RM18.7 million (51.8 per cent). Increased AFF revenue was mainly contributed from electronic and electrical components manufacturers, generator and alternator manufacturer as well as cigarettes and tobacco customers. But the increase was partly offset by significant reduction from aerospace customers. On the other hand, switching of sea shipment to air shipment and reduced ocean shipment volume of existing customers caused revenue of Ocean Freight Forwarding ("OFF") division to drop by RM3.2 million (12.8 per cent), from RM24.8 million to RM21.6 million y-o-y.

Within DBS segment, revenue from Cold Supply Chain ("CSC") division remained strong by recording an increase of RM2.7 million (9.4 per cent) y-o-y, from RM28.7 million to RM31.3 million. The increase was mainly contributed from new grocery-store customer and diary product customer. Temporary closure of business and production activities of customers due to the lockdown since mid-March 2020 badly impacted revenue of Contract Logistics ("CL") and Trucking divisions. Revenue of CL division decreased by RM12.1 million (16.7 per cent), from RM72.3 million to RM60.2 million. Within CL business, except for custom clearance business which showed an increase in revenue of RM2.9 million (13.5 per cent), from RM21.6 million to RM24.5 million, Warehouse, In-Plant and Haulage businesses showed revenue decline y-o-y. Revenue of Warehouse business dropped from RM29.5 million to RM21.0 million, a reduction of RM8.5 million (28.8 per cent). Revenue of In-Plant business dropped by RM1.6 million (24.8 per cent) and haulage business fell RM4.9 million (33.0 per cent) from RM14.9 million to RM9.9 million. Revenue of Trucking division fell from RM18.6 million to RM10.6 million, a drop of RM7.9 million (42.8 per cent).

Profit from operations for the year-to-date ended 30 June 2020 rose by RM2.4 million (35.5 per cent) y-o-y from RM6.9 million to RM9.3 million. Profit before taxation ("PBT") for the year-to-date ended 30 June 2020 increased from RM1.9 million to RM5.2 million, an increase of RM3.3 million (172.3 per cent), and profit after tax ("PAT") for the period to-date went up from RM1.4 million to RM3.4 million (145.0 per cent) y-o-y.

PBT from IBS segment contributed significantly to the Group with an increase of RM1.2 million (70.2 per cent), from RM1.7 million to RM2.9 million y-o-y. Within IBS, PBT generated from AFF division increased from RM1.2 million to RM3.4 million, an increase of RM2.2 million (191.9 per cent) on the back of increased revenue and higher profit margin. However, the PBT from IBS was largely offset by significant drop in OFF division due to aforesaid reason, posting a decrease in PBT of RM1.0 million (184.8 per cent) from RM0.6 million to loss of RM0.5 million. As for DBS segment, it posted a decrease in PBT of RM1.2 million (22.8 per cent) from RM5.1 million to RM4.0 million y-o-y. Within DBS, drop in revenue and business volume resulted in the PBT of CL and Trucking division to fall by RM2.7 million (50.2 per cent) and RM0.04 million (2.7 per cent) respectively. However, the loss was well cushioned by increased PBT from CSC division. PBT of CSC rose by RM1.6 million (119.5 per cent), from RM1.3 million to RM2.9 million. Within the CL division, PBT of Haulage, Custom Clearance and In-Plant businesses fell by RM1.5 million (98.1 per cent), RM1.0 million (122.1 per cent) and RM0.9 million (59.5 per cent) respectively while Warehouse business posted an increase of PBT by RM0.7 million (50.9 per cent).

Apart from PBT from the operating business segment, reduction in non-operating and general expenses of RM3.3 million (66.4 per cent) from Support division, largely attributable to reduced finance costs, realised and unrealised forex gain resulting from the strengthened ringgit and cost control measures, contributed to the increase of PBT.

B2. Comparison with Preceding Quarter's Results: April 2020 to June 2020 vs January 2020 to March 2020

| | 3 months ended | | | |
|--|----------------|------------|---------|---------|
| | 30.06.2020 | 31.03.2020 | Changes | |
| | RM'000 | RM'000 | RM'000 | % |
| Revenue | 178,565 | 186,236 | (7,671) | -4.1% |
| Profit from operations | 9,324 | 10,958 | (1,634) | -14.9% |
| Profit before Interest and tax | 9,311 | 11,154 | (1,843) | -16.5% |
| Profit before taxation | 5,229 | 6,821 | (1,592) | -23.3% |
| Profit after taxation | 3,406 | 371 | 3,035 | 818.1% |
| Profit Attributable to Ordinary Equity Holders of the Parent | 2,636 | (377) | 3,013 | -799.2% |

The Group's revenue for the first quarter ended 30 June 2020 ("Q1FY2021") was recorded at RM178.6 million, as against revenue of RM186.2 million of the preceding quarter ended 31 March 2020. This represents a decrease of RM7.7 million (4.1 per cent). IBS segment continued to contribute higher revenue by posting an increase of RM18.8 million (32.7 per cent) while DBS segment recorded significant decline in revenue by RM26.5 million (20.6 per cent) as against preceding quarter, due to the impact of Covid-19 pandemic and lockdown from mid-March 2020 to early May 2020.

Within the IBS segment, AFF division recorded an outshining revenue by posting an increase of RM20.9 million (61.6 per cent), from RM33.9 million to RM54.7 million as against last preceding quarter. The increase arise from soaring market airfreight rates due to scarcity of airfreight supply capacity coupled with increased demand for air shipments, as customers switched urgent and backlog shipments to air mode from sea mode during the various MCO phases in Q1FY2021. Increased AFF revenue was mainly contributed from electronic and electrical components manufacturers, generator and alternator manufacturer as well as cigarettes and tobacco customers. On the other hand, significant drop in sea shipments resulted in the revenue of OFF to fall from RM23.7 million to RM21.6 million, a decrease of RM2.0 million (8.6 per cent). Drop in OFF revenue was largely resulted from drop in shipment from aerospace customers.

The lockdown caused by the Covid-19 pandemic mainly hit businesses and revenue of DBS segment during the first MCO phase. Within the DBS segment, CSC division which is involved in cold supply chain and convenient retail logistic business, managed to sustain and improve its business volume by posting an increase in revenue of RM1.1 million (3.5%) in Q1FY2021 as against last preceding quarter. However, Contract Logistics ("CL") division and Trucking division recorded drop in revenue of RM17.6 million (22.6 per cent) and RM9.9 million (48.3 per cent), with the drop happening mainly end-March and in April 2020. Within CL division, temporary closure of business and manufacturing activities coupled with decline in import and export shipments caused revenue of custom clearance, haulage, warehouse, in-plant business to fall by RM5.0 million (17.1 per cent), RM4.3 million (30.1 per cent), RM7.3 million (25.8 per cent) and RM0.9 million (17.1 per cent) respectively vis-a-vis against last preceding quarter.

PBT for Q1FY2021 declined from RM6.8 million to RM5.2 million as against preceding quarter, a decrease of RM1.6 million (23.3 per cent). IBS segment recorded an increase of RM1.2 million (67.8 per cent) from RM1.7 million to RM2.9 million. However, PBT from DBS segment decreased from RM8.3 million to RM4.0 million, a drop of RM4.3 million (52.1 per cent). The decline in PBT from operating segments of IBS and DBS were partly offset by reduction in general and non-operating expenses of expenses of RM1.5 million (48.2 per cent) from Support segment, largely contributed from reduction in finance costs, general expenses as well as increase in realised and unrealised gain of foreign exchange.

Within IBS segment, AFF showed an increase in PBT of RM2.2 million (179.8 per cent) underpinned by higher revenue and profit margin. Drop in revenue and shipment volume resulted in the PBT of OFF business to drop by RM1.0 million (188.8 per cent) from RM0.53 million to a loss RM0.47 million.

Within DBS segment, CSC division posted an increase in PBT by RM0.4 million (15.7 per cent) while CL division and Trucking division posted reduction in PBT by RM3.5 million (57.0 per cent) and RM1.2 million (270.1 per cent) respectively. Within CL division, the lockdown impacted the PBT of Custom Clearance, Haulage and Warehouse businesses, causing drop of RM0.7 million, RM1.0 million and RM2.1 million respectively as against last preceding quarter. PBT of In-Plant business, however, slightly rose by RM0.3 million.

B3. Prospects for the Remaining Period to the End of the Financial Year

In the latest World Economic Outlook report ("WEO") released on 24 June 2020, the International Monetary Fund ("IMF") called the current COVID-19 pandemic a crisis like no other, with an uncertain recovery. The IMF said that the pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. Accordingly, the IMF has revised downwards the global growth projection for 2020 to -4.9 per cent, 1.9 percentage points below the April 2020 WEO forecast of -3.0 per cent. Nevertheless, there is a higher-than-usual degree of uncertainty around this forecast as the baseline projection rests on key assumptions about the fallout from the pandemic. Alternative outcomes to those in the baseline are clearly possible, and not just because of how the pandemic is evolving. The extent of the recent rebound in financial market sentiment appears disconnected from shifts in underlying economic prospects, raising the possibility that financial conditions may tighten more than assumed in the baseline.
(Source: WEO dated 24 June 2020)

In Malaysia, Bank Negara Malaysia ("BNM") announced on 14 August 2020 that the Malaysian economy had contracted by 17.1 per cent in the second quarter of 2020 (1Q 2020: 0.7 per cent). This decline was a reflection of the unprecedented impact of the stringent containment measures implemented to control the COVID-19 pandemic globally and domestically. With Malaysia's nationwide MCO encompassing diverse measures that restricted production and consumption activities, this led to demand and supply shocks that stemmed not only from significantly weak external demand conditions, but also production constraints in many economic sectors. Moreover, there was a significant decline in tourism-related activities due to international border closures and restricted interstate travel. On the supply side, most economic sectors registered negative growth, while most expenditure components declined. Accordingly, BNM has revised downwards its official GDP growth forecast for 2020 to between -3.5 per cent and -5.5 per cent. BNM opines that the 2Q2020 economic contraction is likely a trough, and therefore the economy is poised for a gradual recovery in the second half of the year as the economy progressively reopens and external demand improves. This outlook is underpinned by the rebound of key indicators such as wholesale and retail trade, industrial production, gross exports, as well as electricity generation since we progress to the less restrictive phases of the MCO. BNM is forecasting economic recovery in 2021, with a growth range of between 5.5 per cent and 8 per cent, underpinned by improvements in external conditions and a gradual normalisation in economic activities and labour market conditions.
(Source: BNM press release and briefing dated 14 August 2020)

The prospects of the Group are closely tied to the performance of the global as well as the Malaysian economy, as the health of the logistics industry is closely aligned with the economic activity and international trade. Moving into the new FY2021, we recognise the unprecedented challenges posed by the COVID-19 pandemic, especially during the first MCO period whereby there was almost a complete shutdown of economic activities from 18 March 2020 to 3 May 2020. Fortunately for our Group, logistics services have been classified as an essential service, and the Group had continued to operate its business even during the MCO. The Group's diversification since 2017 into CSC, which currently deals mainly in food and beverage as well as convenience retail (including pharmaceutical retail sub-sector), has proven to be pivotal to our performance during the MCO period as demand for these sectors has remained strong during the lockdown. Hence, the impact to our business resulting from the MCO was strongly mitigated, proving the resilience of our business model once again. Moreover, since the relaxation of the MCO to the less restrictive CMCO and RMCO phases, we have noted that our business volume has picked up significantly to pre-pandemic levels as our customers re-started their operations and backlogs and pent-up demands are being fulfilled. This, coupled with our strong actions to control and reduce unnecessary costs, has resulted in our Group reporting significantly better results for the quarter under review, vis-a-vis last year corresponding quarter as well as the immediate preceding quarter. Hence, we are still cautiously confident of our financial performance resilience, going into the new financial year. Nevertheless, in view of the extreme uncertainties posed by the pandemic, it is challenging to provide a definitive forecast of how things will play out as we move forward. Downside risks for the Group will continue to be the unknown economic ramifications of the COVID-19 pandemic (including possibility of second or third waves) as well as a need to keep our operational costs under control during a period of uncertainty. Nevertheless, we will continue to maintain our strategy to focus on servicing our customers with innovative logistics solutions and expand our logistics capacity when it is beneficial to our shareholders' value.

B4. Profit Forecast

Not applicable as there is no forecast / profit guarantee.

B5. Tax Expense

| | Quarter and Year-to-Date Ended | |
|--------------------------------|--------------------------------|------------|
| | 30.06.2020 | 30.06.2019 |
| | RM'000 | RM'000 |
| Income tax | | |
| - Current tax | (2,226) | (226) |
| Deferred tax | | |
| - Current year | 402 | (305) |
| - overprovision in prior years | 2 | - |
| | (1,823) | (531) |

The Group's effective tax rate of 34.9% for the cumulative 3 months ended 30 June 2020 was above the statutory rate is mainly due to non-deductible expenses.

**B6. Corporate Proposals**

On 10 May 2019, the Board of Directors announced that Gold Cold Solutions Sdn Bhd ("GCS") and Titian Pelangi Sdn Bhd ("TPSB"), both being subsidiaries of TASCO Bhd, had entered into a sale and purchase agreement ("SPA") with Hai San Holdings Sdn Bhd (in liquidation) ("HSH") and Hai San & Sons Sdn Bhd (in liquidation) ("HSS") for the proposed acquisition of seven (7) parcels of leasehold industrial lands and buildings located in Port Klang, Selangor for a total cash consideration of RM25,827,000 ("Proposed Acquisition").

On 19 June 2020 the Purchasers and Vendors entered into a Supplemental Agreement to the SPA with the Vendors ("Supplemental Agreement") to vary the terms on allowing the Purchasers to acquire the properties and Conditions Precedent as follows:

(A) Allowing the Purchasers to acquire:

- (i) Property 1, Property 3 and Property 4 ("Properties A") only on an "en-bloc" basis for a total purchase consideration of RM23,762,000. The Purchasers shall pay the Balance Purchase Price in respect of Properties A amounting to Ringgit Malaysia Twenty Million Six Hundred Seventy Two Thousand Nine Hundred and Forty (RM20,672,940.00) only directly to the Chargees towards payment of the Redemption Sum (and such payment to the Chargees shall be deemed as payment to the Vendors), within forty five (45) days from Unconditional Date; and
- (ii) Property 2, Property 5, Property 6 and Property 7 ("Properties B") only for a total purchase consideration of RM2,065,000 and that the payment of Balance Purchase Price shall be forty-five (45) days from completion of Properties A.

The completion of purchase of the respective properties shall be upon the notification of successful registration of the Transfer in favour of the relevant Purchaser and collection of the relevant duly transferred titles in respect of the Asset;

(B) Conditions Precedent

Clause 2A.1 of the Agreement to the following:

It is hereby agreed that this Agreement shall be conditional:

- (1) Upon the Purchasers having obtained at its own costs and expenses:
- (i) the State Authority Approval; and
- (ii) the S433B Approval; and
- (2) Upon each Party having, at their own costs and expenses upon the terms in Clause 15A, successfully remove all the caveats over Property 1, Property 2, Property 3, Property 4, Property 6 and Property 7.
- (C) "CP Period" shall be for the period of five (5) years from the date of the Supplemental Agreement for the Parties to fulfil the Conditions Precedent or any other period as mutually agreed upon by the Parties.

The Purchasers had on 8 July 2020 received the notification of successful registration of the Transfer in favour of the relevant Purchasers and collection of the relevant duly transferred titles marking the completion of the acquisition of Properties A.

On 21 August 2020, the Purchasers paid the Balance Purchase Price in respect of Properties B amounting to Ringgit Malaysia One Million Seven Hundred Ninety Six Thousand Five Hundred Fifty (RM1,796,550) to the Vendors.

B7. Borrowing

| | As at 1st quarter ended 30.06.2020 | | | | | |
|--|------------------------------------|----------------|-----------------|---------------|-----------------|----------------|
| | Long term | | Short term | | Total borrowing | |
| | Denomination in | | Denomination in | | Denomination in | |
| | Foreign ('000) | RM ('000) | Foreign ('000) | RM ('000) | Foreign ('000) | RM ('000) |
| Hire purchase liabilities | - | - | - | 149 | - | 149 |
| Lease liabilities | - | 3,148 | - | 7,699 | - | 10,847 |
| Bank loan (Synthetic Foreign currency and unsecured) - USD * | - | - | - | - | - | - |
| Bank loan (unsecured) | - | 213,384 | - | 17,666 | - | 231,050 |
| Bank loan (secured) | - | 31,851 | - | 5,415 | - | 37,266 |
| Revolving credit facilities | - | - | - | - | - | - |
| Amounts owing to corporate shareholder of subsidiary company | - | 4,759 | - | 372 | - | 5,131 |
| Total borrowings | - | 253,142 | - | 31,301 | - | 284,443 |

B7. Borrowing (continue)

| | As at 1st quarter ended 30.06.2019 | | | | | |
|---|------------------------------------|----------------|-----------------|---------------|-----------------|----------------|
| | Long term | | Short term | | Total borrowing | |
| | Denomination in | | Denomination in | | Denomination in | |
| | Foreign ('000) | RM ('000) | Foreign ('000) | RM ('000) | Foreign ('000) | RM ('000) |
| Hire purchase liabilities | - | 135 | - | 792 | - | 927 |
| Lease liabilities | - | 10,533 | - | 4,592 | - | 15,125 |
| Bank loan (Synthetic Foreign currency and unsecured) - USD ** | - | - | 1,775 | - | 1,775 | - |
| Bank loan (unsecured) | - | 249,458 | - | 49,590 | - | 299,048 |
| Bank loan (secured) | - | 29,736 | - | 10,831 | - | 40,567 |
| Revolving credit facilities | - | - | - | 20,000 | - | 20,000 |
| Total borrowings | - | 289,862 | 1,775 | 85,805 | 1,775 | 375,667 |

* USD denomination at average exchange rate of USD\$1:RM4.28

** USD denomination at average exchange rate of USD\$1:RM4.13

The above secured bank loan are secured by legal charge over the freehold land, buildings and warehouse of a subsidiary company and are guaranteed by the Company.

B8. Litigation

There was no material litigation pending since 30 June 2020 to the date of this report.

B9. Dividend Proposed

No interim dividend was proposed or declared in the current quarter under review.

B10. Earnings Per Share

| | Quarter and Year-to-Date Ended | |
|--|--------------------------------|------------|
| | 30.06.2020 | 30.06.2019 |
| PAT after non-controlling interest (RM'000) | 2,636 | 1,282 |
| Weighted average number of ordinary shares in issue ('000) | 200,000 | 200,000 |
| Earnings per share (sen) | 1.32 | 0.64 |

The Company does not have any dilutive potential ordinary shares outstanding as at 30 June 2020. Accordingly, no diluted earnings per share is presented.

B11. Derivative Financial Instruments

As at 30 June 2020, the Group has the following outstanding derivative financial instruments:

| Derivatives | Contract or Notional amount as at | | Fair value | | Purpose |
|-----------------------------------|--------------------------------------|------------|------------|------------|---|
| | 30.06.2020 | 30.06.2019 | 30.06.2020 | 30.06.2019 | |
| | RM'000 | RM'000 | RM'000 | RM'000 | |
| 1. Cross currency swap Contracts: | | | | | |
| - More than 3 years | - | 1,775 | - | 327 | For hedging currency risk in bank term loan |

For the current quarter under review, there have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year. Also, there have been no changes to the Group's risk management objective, policies and processes since the previous financial year end.

B12. Profit for the period

| | Quarter and Year-to-Date Ended | |
|---|-----------------------------------|----------------------|
| | 30.06.2020 RM'000 | 30.06.2019 RM'000 |
| Profit for the period is arrived at after crediting: | | |
| Interest income | 593 | 629 |
| Other income | 1,911 | 875 |
| Gain on disposal of land and building | - | - |
| Gain on disposal of property, plant and equipment | - | 108 |
| Realised foreign exchange gain | 751 | 354 |
| Unrealised foreign exchange gain | 69 | - |
| and after charging: | | |
| Interest expenses | 4,082 | 4,851 |
| Property, plant and equipment written off | - | 5 |
| Depreciation of property, plant and equipment | 7,173 | 8,093 |
| Depreciation of right-of use assets | 2,473 | 1,891 |
| Allowance for doubtful debts | - | 283 |
| Bad debts written off | - | - |
| Realised foreign exchange loss | - | - |
| Unrealised foreign exchange loss | - | 376 |
| Loss of derecognition of subsidiary | 825 | - |
| Impairment loss of other investment | - | - |

Unless indicated otherwise above, there were no gain or loss on disposal of quoted or unquoted investment or real properties, impairment of assets, gain or loss on derivatives or exceptional item for current quarter and financial period ended 30 June 2020 (30 June 2019: Nil).